

This Agreement made and entered into January 19, 1983,
by and between Universal City Studios, Inc., a Delaware
corporation (hereinafter "Universal") and Atari Incorporated
a corporation (hereinafter "Atari").

W I T N E S S E T H:

PLAINTIFF'S
EXHIBIT
36

The parties hereto are contracting with reference to
the following facts:

Atari is planning on manufacturing, marketing, selling
and distributing, pursuant to license agreements from
Nintendo Company, Ltd. and Nintendo of America, Inc., a
computer game in various forms (e.g., cassette, cartridge,
disc) identified and known as "Donkey Kong" (hereafter the
"Article" or "Articles").

Universal claims that Atari's manufacturing, marketing,
sale and distribution of the Articles violate and infringes
upon the property and trademark rights of Universal in and
to the name, title, character and story "King Kong" and "Kong".

NOW, THEREFORE, in consideration of the mutual agreements
herein contained, it is hereby agreed as follows:

1. Universal covenants and agrees for the benefit of Atari,
its licensees, distributors and customers that Universal shall not
assert any claim or institute any action against Atari, or its

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licensees, distributors and customers, based upon the claim that the manufacturing, marketing, sale or distribution of the Articles in the licensed territories by Atari, or its licensees, violates or infringes upon the property or trademark rights of Universal in or to the name, title, character or story "King Kong" or "Kong".

2. Atari agrees to pay to Universal a royalty of 3% of gross wholesale sales of the Articles as long as Atari, or its licensees, is engaged in their sale or distribution. All sales are to be calculated on the wholesale price of each Article with no deductions of any sort except quantity discounts and returns, ~~but not returns for credit~~. Without limiting the generality of the foregoing, there shall be no allowance for trade discounts, freight charges, advertising or free samples.

3. Universal agrees to use its best efforts to reach a settlement with Atari's licensors, Nintendo Company, Ltd. and Nintendo of America, Inc. ("Nintendo") with respect to the claims asserted by Universal against Nintendo in connection with Donkey Kong. If a settlement is reached or a judgment is obtained by Universal, Atari shall be entitled to a credit from Universal against the payments Atari agrees to make to Universal hereunder of any sums received by Universal from Nintendo greater than a royalty of 2% of gross wholesale sales attributable to the Articles or the equivalent thereof if payments are made by Nintendo on other than a royalty basis.

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4. Atari shall deliver to Universal royalty reports quarterly, together with payment of the royalty herein provided for, within 30 days after the close of each calendar quarter. Universal's acceptance of such royalty payments shall not preclude Universal from contesting the accuracy of any such royalty report. If any royalty payment is not made when due, interest shall accrue thereon from the due date at the then current prime interest rate.

5. Universal shall have the right to inspect and audit Atari's books of account and records for the purpose of verifying the accuracy of any royalty report rendered to Universal hereunder. All books of account and records and supporting documents shall be maintained by Atari for three years after the rendition of the royalty report to which such books of account and records refer.

6. Universal will indemnify and hold Atari, its licensees, distributors and customers harmless from any loss, damage or expense arising out of any claim or suit alleging that the manufacture, marketing, sale or distribution of the Articles violates or infringes upon the property, trademark or any other rights of any person, firm or corporation in or to the name, title, character and story King Kong and Kong. Provided, however, that the total liability of Universal hereunder shall be limited to the amount of royalty fees paid and/or payable by Atari hereunder.

7. All royalty reports, payments and any notices to Universal hereunder shall be mailed to:

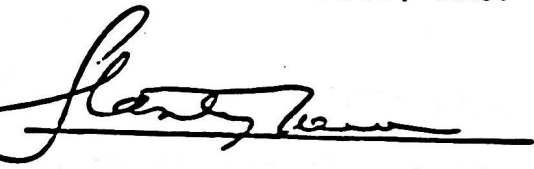
Universal City Studios, Inc.
Attention: Robert D. Hadl
100 Universal City Plaza
Universal City, California 91608

Any notice to Atari hereunder shall be mailed to:

Atari Incorporated
1265 Borregas Avenue
Sunnyvale, California 94086

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

UNIVERSAL CITY STUDIOS, INC.

BY: 

ATARI INCORPORATED

BY: 

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